LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m. on **TUESDAY**, **OCTOBER 3, 2006**, upon the application of **DENALI OIL & GAS MANAGEMENT**, **LLC**.

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of Orders pertaining to the following matters relating to the **Yegua 1 Zone**, **Reservoir A and the Yegua 1 Zone**, **Reservoir B**, in the Bunchy Creek Field, Allen Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Yegua 1 Zone, Reservoir A and the Yegua 1 Zone, Reservoir B.
- 2. To create a single drilling and production unit for the Yegua 1 Zone, Reservoir A and the Yegua 1 Zone, Reservoir B, and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created.
- 3. To designate a unit operator and a unit well for the units so created as may be appropriate.
- 4. To provide that any wells drilled outside of the Yegua 1 Zone, Reservoir A and the Yegua 1 Zone, Reservoir B, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
- 5. To provide that the Commissioner of Conservation may reclassify the reservoirs by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner of Conservation.
- 6. To consider such other matters as may be pertinent.

The Yegua 1 Zone, is hereby defined as that interval from 9,520' to 10,510' electric log measurements in the Beck Oil Company-Industrial Lumber No. 1 Well, located in Section 28, Township 6 South, Range 6 West, Allen Parish, Louisiana.

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Lafayette**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH COMMISSIONER OF CONSERVATION

Baton Rouge, LA 8/29/06;9/1/06 L lck

IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION-ENGINEERING DIVISION AT P.O. BOX 94275, BATON ROUGE, LA 70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE HEARING DATE.